

Dalton Telephone Co.

P.O. Box 19817
Colorado City, CO 81019
1.866.542.6779

REDACTED - FOR PUBLIC INSPECTION

October 17, 2013

Marlene H. Dortch, Secretary
Federal Communication Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Connect America Fund, WC Dkt. No. 10-90;
Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42

Dear Ms. Dortch:

Dalton Telephone Company ("Company") hereby files its FCC Form 481 Carrier Annual Reporting and certification as required by Sections 54.313 and 54.422 of the Commission's rules in accordance with the guidance of the Public Notice issued August 6, 2013 (DA 13-1707). A copy of this report has also been filed with the Universal Service Administrative Company and state public service commission.

Portions of this filing are being made confidentially in accordance with the Federal Communications Commission's *Third Protective Order*¹ in this docket. Specifically, the Company requests confidential treatment of the financial statements. This information is competitively sensitive and is not normally released to the public; release of such sensitive data could give the Company's competitors an advantage in its markets.

Specifically, this filing submission includes one copy of the Confidential Document and two copies of the Confidential Document in Redacted Form with the cover letter. Company has also filed a redacted version through the FCC's e-filing system. Please feel free to contact me with questions.

Sincerely,



JOVANKA MERSMAN
Tariff/Regulatory Manager

/jam

Enclosures

cc: Charles Tyler, FCC, Telecommunications Access Policy Division (two confidential copies)

¹ In re: Developing a Unified Inter-carrier Compensation Regime; Establishing Just and Reasonable Rates for Local Exchange Carriers; Connect America Fund; High-Cost Universal Service Support; A National Broadband Plan for Our Future, CC Dkt. Nos. 07-135, 10-90, 05-337, GN Dkt. No. 09-51, *Third Protective Order* DA 10-1749 (rel. August 30, 2012).

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	371537
<015> Study Area Name	DALTON TEL CO, INC
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Jovanka Mersman
<035> Contact Telephone Number: Number of the person identified in data line <030>	719-532-0452
<039> Contact Email Address: Email of the person identified in data line <030>	mersman@signal-telcom.com

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
			(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)		<input checked="" type="checkbox"/>	
<200> Outage Reporting (voice)	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	0	(attach descriptive document)	<input checked="" type="checkbox"/>	
<310> Detail on Attempts (voice)			<input checked="" type="checkbox"/>	
<320> Unfulfilled Service Requests (broadband)	0	(attach descriptive document)		
<330> Detail on Attempts (broadband)				
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0			
<420> Mobile	0.0			
<430> Number of Complaints per 1,000 customers (broadband)			<input checked="" type="checkbox"/>	
<440> Fixed	0.0			
<450> Mobile	0.0			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 371537NE510Dalton	(attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 371537NE610Dalton	(attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)			
<710> Company Price Offerings (broadband)	(complete attached worksheet)			
<800> Operating Companies and Affiliates	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)		<input checked="" type="checkbox"/>	
<1000> Voice Services Rate Comparability	(check to indicate certification)			
<1010>	(attach descriptive document)			
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)			
<1110>	(complete attached worksheet)			
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)			<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	
<2005>	(complete attached worksheet)	<input type="checkbox"/>	

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	371537
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<030>	Contact Name - Person USAC should contact regarding this data	Jovanka Mersman
<035>	Contact Telephone Number - Number of person identified in data line <030>	719-532-0452
<039>	Contact Email Address - Email Address of person identified in data line <030>	mersman@signal-telcom.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing \$54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets
<114> Report how much universal service (USF) support was received
<115> How (USF) was used to improve service quality
<116> How (USF) was used to improve service coverage
<117> How (USF) was used to improve service capacity
<118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

[illegible]

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<701>	Residential Local Service Charge Effective Date	1/1/2013
<702>	Single State-wide Residential Local Service Charge	

July 2013

[illegible]

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July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	mersman@signal-telcom.com
<810>	Reporting Carrier	Dalton Telephone Company
<811>	Holding Company	Newcastle Holdings, Inc.
<812>	Operating Company	Dalton Telephone Company

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	mersman@signal-telcom.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

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July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	mersman@signal-telcom.com

<1120> Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------

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<039>	Contact Email Address - Email Address of person identified in data line <030>	mersman@signal-telcom.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

 Name of attached document (.pdf)

<1220> Link to Public Website

HTTP www.daltontel.net

“Please check these boxes below to confirm that the attached PDF,
 on line 1210, or the website listed, on line 1220,
 contains the required information pursuant to §
 54.422(a)(2) annual reporting for ETCs receiving low-income
 support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation

Data Collection Form

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
- <2013> 2014 Frozen Support Certification
- <2014> 2015 Frozen Support Certification
- <2015> 2016 and future Frozen Support Certification

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

--

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification
- <2020> Please check the box to confirm that the attached PDF , on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

(3010)	Milestone Certification {47 CFR § 54.313(f)(1)(i)} Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3012)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}		<input checked="" type="checkbox"/> (Yes/No)
(3014)	If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input type="checkbox"/>
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3018)	If the response is no on line 3014, Is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains :		<input checked="" type="checkbox"/>
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input checked="" type="checkbox"/>
(3020)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input type="checkbox"/>
(3022)	Borrowers,		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	371537NE3026Dalton

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	DALTON TEL CO, INC
Signature of Authorized Officer:	CERTIFIED ONLINE Date 10/07/2013
Printed name of Authorized Officer:	David Shipley
Title or position of Authorized Officer:	Vice President
Telephone number of Authorized Officer:	866.542.6779
Study Area Code of Reporting Carrier:	371537 Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
-----------------------------------------------------------------	----------------------------------------------------------------------------------

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<039>	Contact Email Address - Email Address of person identified in data line <030>	mersman@signal-telcom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.</p>	
Name of Authorized Agent:	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date:
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
<p>I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.</p>	
Name of Reporting Carrier:	
Name of Authorized Agent or Employee of Agent:	
Signature of Authorized Agent or Employee of Agent:	Date:
Printed name of Authorized Agent or Employee of Agent:	
Title or position of Authorized Agent or Employee of Agent:	
Telephone number of Authorized Agent or Employee of Agent:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

Attachments

[illegible]

Dalton Telephone Company
FCC Form 481 – Line 510
Program Year – 2014

SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Dalton Telephone Company (“Dalton”) is in compliance with applicable service quality standards and consumer protection rules.

Dalton complies with consumer protection obligations under Nebraska state law. Specifically, Nebraska Consumer Protection Act, Nebraska Revised Statute § 59-1601, and the Nebraska Uniform Deceptive Trade Practices Act, Nebraska Revised Statute § 87-301. The Consumer Protection Act outlaws unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade of commerce. The Uniform Deceptive Trade Practices Act enumerates particular trade practices that violate the statute and prohibits unconscionable acts or practices by a supplier in connection with a consumer transaction.

Dalton also complies with the Nebraska Administrative Code, Title 291 Nebraska Public Service Commission, Chapter 5 Telecommunications Rules and Regulations. These obligations include, but are not limited to, the following: (1) filing a Local Exchange Tariff which discloses rates, and terms and conditions of service to customers (2) adherence to Quality of Service Standards, (3) conforming to Customer Billing standards and (4) addressing Customer Complaints. Dalton submits annually to the Nebraska Public Service Commission data pertaining to Complaints (§ 009.04A4) and Consumer Protection/Service Quality Standards (§ 009.04A5).

Dalton is also subject to federal truth-in-billing requirements, has implemented CPNI and Red Flag Rules policies, and is complying with other applicable federal and state requirements governing the protection of customers’ privacy.

Dalton Telephone Company
FCC Form 481 – Line 610
Program Year – 2014

Emergency Functionality Explanation Document:

Dalton Telephone Company is able to remain functional in emergency situations. Dalton Telephone Company has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.

CONFIDENTIAL

(3005a) Operating Report for Privately-Held Rate of Return Carriers

FCC Form 481

Balance Sheet - Data Collection Form

OMB Control No. 3060-0986

OMB Control No. 3060-0819

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July 2013

<010> Study Area Code 371537
<015> Study Area Name DALTON TELEPHONE COMPANY
<020> Program Year 2014
<030> Contact Name - Person USAC should contact regarding this data JOVANKA MERSMAN, SIGNAL TELCOM PARTNERS
<035> Contact Telephone Number - Number of person identified in data line <030> 719-532-0452
<039> Contact Email Address - Email Address of person identified in data line <030> MERSMAN@SIGNAL-TELCOM.COM

Filed as reviewed single company ☐
Filed as reviewed consolidated company ☐
Filed as subsidiary of reviewed consolidated company ☐

Filed as audited single company ☐
Filed as audited consolidated company ☐
Filed as subsidiary of audited consolidated company ☒

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Signature

Date

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
			40. Funded Debt-Rural Develop. Loan		
NONCURRENT ASSETS			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)		
b. Nonrural Development			OTHER LIAB. & DEF. CREDITS		
13. Nonregulated Investments			47. Other Long-Term Liabilities		
14. Other Noncurrent Assets			48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
17. Total Noncurrent Assets (11 thru 16)			EQUITY		
			51. Cap. Stock Outstanding & Subscribed		
PLANT, PROPERTY, AND EQUIPMENT			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service			53. Treasury Stock		
19. Property Held for Future Use			54. Membership and Cap. Certificates		
20. Plant Under Construction			55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits		
22. Less Accumulated Depreciation			57. Retained Earnings or Margins		
23. Net Plant (18 thru 21 less 22)			58. Total Equity (51 thru 57)		
24. TOTAL ASSETS (10+17+23)			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

CONFIDENTIAL

Page 2

(3005b) Operating Report for Privately-Held Rate of Return Carriers	FCC Form 481
Income Statement - Data Collection Form	OMB Control No. 3060-0986
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	July 2013

<010> Study Area Code	371537
<015> Study Area Name	DALTON TELEPHONE COMPANY
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	JOVANKA MERSMAN, SIGNAL TELCOM PARTNERS
<035> Contact Telephone Number - Number of person identified in data line <030>	719-532-0452
<039> Contact Email Address - Email Address of person identified in data line <030>	MERSMAN@SIGNAL-TELCOM.COM

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
	ITEM	PRIOR YEAR	THIS YEAR
1.	Local Network Services Revenues	\$	
2.	Network Access Services Revenues	\$	
3.	Long Distance Network Services Revenues		
4.	Carrier Billing and Collection Revenues	\$	
5.	Miscellaneous Revenues	\$	
6.	Uncollectible Revenues	\$	
7.	Net Operating Revenues (1 thru 5 less 6)	\$	
8.	Plant Specific Operations Expense	\$	
9.	Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	\$	
10.	Depreciation Expense	\$	
11.	Amortization Expense		
12.	Customer Operations Expense	\$	
13.	Corporate Operations Expense	\$	
14.	Total Operating Expenses (8 thru 13)	\$	
15.	Operating Income or Margins (7 less 14)	\$	
16.	Other Operating Income and Expenses	\$	
17.	State and Local Taxes	\$	
18.	Federal Income Taxes	\$	
19.	Other Taxes	\$	
20.	Total Operating Taxes (17+18+19)	\$	
21.	Net Operating Income or Margins (15+16-20)	\$	
22.	Interest on Funded Debt		
23.	Interest Expense - Capital Leases		
24.	Other Interest Expense		
25.	Allowance for Funds Used During Construction		
26.	Total Fixed Charges (22+23+24-25)	\$	
27.	Nonoperating Net Income	\$	
28.	Extraordinary Items		
29.	Jurisdictional Differences		
30.	Nonregulated Net Income		
31.	Total Net Income or margins (21+27+28+29+30-26)	\$	
32.	Total Taxes Based on Income		
33.	Retained Earnings or Margins Beginning-of-Year	\$	
34.	Miscellaneous Credits Year-to-Date		
35.	Dividends Declared (Common)		
36.	Dividends Declared (Preferred)		
37.	Other Debits Year-to-Date		
38.	Transfers to Patronage Capital		
39.	Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]	\$	
40.	Patronage Capital Beginning-of-Year		
41.	Transfers to Patronage Capital		
42.	Patronage Capital Credits Retired		
43.	Patronage Capital End-of-Year (40+41-42)	\$	
44.	Annual Debt Service Payments	\$	
45.	Cash Ratio [(14+20-10-11)/7]	\$	
46.	Operating Accrual Ratio [(14+20+26)/7]	\$	
47.	TIER [(31+26)/26]	\$	
48.	DSCR [(31+26+10+11)/44]	\$	

[3005c] Operating Report for Privately-Held Rate of Return Carriers	
Cash Flow - Data Collection Form	
Page 3 of 3	
FCC Form 481	
OMB Control No. 3060-0986	
OMB Control No. 3060-0819	
July 2013	

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<015> Study Area Name	DALTON TELEPHONE COMPANY
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<035> Contact Telephone Number - Number of person identified in data line <030>	719-532-0452
<039> Contact Email Address - Email Address of person identified in data line <030>	MERSMAN@SIGNAL-TELCOM.COM

PART C. STATEMENTS OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	
3. Add: Depreciation	Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities
4. Add: Amortization	
5. Other (Explain)	
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
CASH FLOWS FROM FINANCING ACTIVITIES	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	

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MIZE & HOUSER
& COMPANY P.A.

The Board of Directors
Newcastle Holdings, Inc.
New York, New York

Independent Auditor's Report

We have audited the accompanying consolidated balance sheets of Newcastle Holdings, Inc. and Subsidiaries (the Company) as of December 31, 2012 and 2011, and the related consolidated statements of operations, stockholder's (deficit) equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

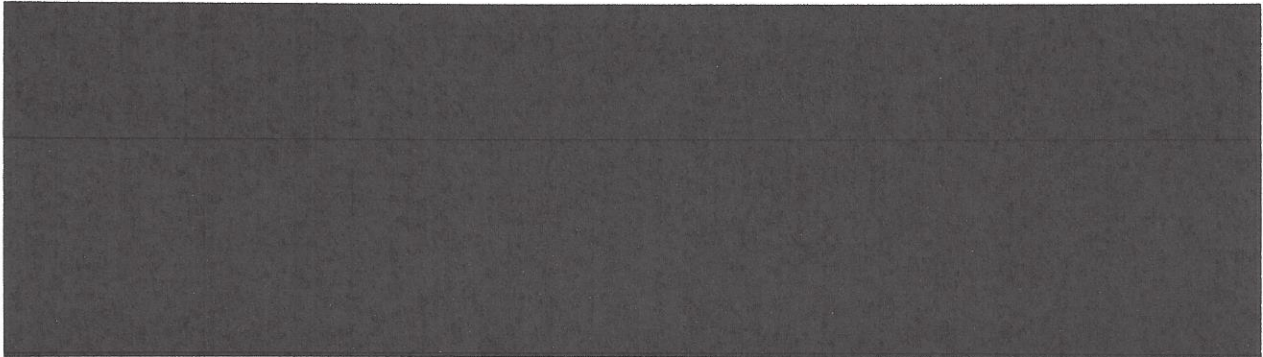
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion



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Independent Auditor's Report (continued)



Mize Hauer & Company P.A.

Certified Public Accountants

Overland Park, Kansas
September 25, 2013

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MIZE & HOUSER
& COMPANY P.A.

The Board of Directors
Newcastle Holdings, Inc.
New York, New York

Report of Independent Certified Public Accountants

We have audited the accompanying consolidated balance sheets of Newcastle Holdings, Inc. and Subsidiaries (the Company) as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholder's (deficit) equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Newcastle Holdings, Inc. and Subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Mize Houser & Company P.A.

Certified Public Accountants

Overland Park, Kansas
January 15, 2013

www.mizehouser.com ■ mhco@mizehouser.com

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